

DISCLAIMER

This electronic version of an SCC order is for informational purposes only and is not an official document of the Commission. An official copy may be obtained from the [Clerk of the Commission, Document Control Center](#).

COMMONWEALTH OF VIRGINIA

STATE CORPORATION COMMISSION

AT RICHMOND, June 27, 2002

PETITION OF

CASE NO. PUA-2001-00079

ADELPHIA BUSINESS SOLUTIONS OF VIRGINIA, LLC

For approval of an indirect pro forma transfer of control

ORDER GRANTING APPROVAL

On January 8, 2002, Adelphia Business Solutions of Virginia, LLC (“Adelphia Virginia” or “Petitioner”),¹ completed a petition filed with the State Corporation Commission (“Commission”) requesting approval, under the Utility Transfers Act, of an indirect transfer of control of Adelphia Virginia resulting from a corporate restructuring of its parent corporation, Adelphia Business Solutions, Inc. (“ABSI”).² By orders dated March 5, 2002, and May 7, 2002, the Commission extended the time for review of issues in this case through July 7, 2002.

Adelphia Virginia is a Virginia limited liability company. Adelphia Virginia holds certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services in Virginia. Adelphia Virginia is a wholly owned subsidiary of ABSI.

¹ By letter dated June 20, 2002, the Petitioner notified Staff that on June 18, 2002, Adelphia Virginia filed a voluntary petition for reorganization in the Southern District of New York under Chapter 11 of the United States Bankruptcy Code. Staff has contacted counsel for Adelphia Virginia regarding the need to provide the Commission with notice of the Bankruptcy filing, pursuant to 20 VAC 5-423-70.

² On March 27, 2002, ABSI filed for and received Chapter 11 protection under federal bankruptcy laws in the U.S. Bankruptcy Court for the Southern District of New York.

ABSI is a publicly traded Delaware corporation headquartered in Pennsylvania. ABSI is a holding company only and provides telecommunications services through operating company affiliates. ABSI and its affiliates are currently in the process of building high speed, high capacity, fiber optic networks to provide a package of services including local and long distance telephone and data services to customers in Virginia and throughout the United States. Adelphia Communications Corporation (“Adelphia”)³ holds the majority of the shares in ABSI.

Adelphia, through its subsidiaries, offers cable television and local tele-communications services. Adelphia’s operations consist of providing tele-communications services primarily over broadband networks. As of December 31, 2000, Adelphia served over 5,000,000 subscribers.

The Petitioner seeks approval of a transaction involving an indirect transfer of control resulting from a corporate restructuring of ABSI. Under the proposed transaction, Adelphia will distribute its entire 79% ownership interest in ABSI to its current shareholders in the form of a stock dividend. Adelphia shareholders, through their ownership of Adelphia stock, currently have a 79% indirect ownership of ABSI. As a result of this transaction, Adelphia shareholders will have a 79% direct ownership of ABSI, and, therefore, indirect ownership interests in Adelphia Virginia. Also, ABSI will become the direct and ultimate parent of Adelphia Virginia instead of Adelphia. Therefore, ultimate control of Adelphia Virginia is being transferred from Adelphia to ABSI. Direct control of Adelphia Virginia will continue to be held by ABSI.

THE COMMISSION, upon consideration of the petition and representations of the Petitioner and having been advised by its Staff, is of the opinion and finds that the transaction, as

³ On June 25, 2002, Adelphia filed voluntary bankruptcy petitions under Chapter 11 of the U.S. Bankruptcy Code with the U.S. Bankruptcy Court for the Southern District of New York.

described herein, involving the indirect transfer of control will neither impair nor jeopardize the provision of adequate service to the public at just and reasonable rates and should, therefore, be approved.

Accordingly, IT IS ORDERED THAT:

- 1) Pursuant to §§ 56-88.1 and 56-90 of the Code of Virginia, approval is hereby granted for the indirect transfer of control of Adelphia Virginia, as described herein.
- 2) There appearing nothing further to be done in this matter, it is hereby dismissed.